

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO THE ALLEGED)	
UNAUTHORIZED TRANSFER OF STOCK AND)	
OWNERSHIP OF B.L.S.T., INC. FROM)	CASE NO.
JERRY L. TYLER TO MIKE AND TIM)	90-266
MONTGOMERY AND ALLEGED DEFICIENCIES)	
IN THE SYSTEM)	

O R D E R

On September 18, 1990, the Commission initiated this investigation based on information indicating that B.L.S.T., Inc. ("B.L.S.T.") may have been transferred without prior Commission approval as required by KRS 278.020.

In addition to the transfer issue, the Commission's Order also noted deficiencies which had been delineated in the April 10, 1990 Inspection Report of B.L.S.T.'s sewage facilities.

The September 18, 1990 Order required that Jerry L. Tyler and Mike and Timothy Montgomery file statements describing the current status of negotiations for transfer of B.L.S.T. and a plan for the correction of deficiencies noted in the Order of April 10, 1990 Inspection Report. Further, the Order required that Tyler and the Montgomery's file comments showing cause why they should not be penalized pursuant to KRS 278.990 for transferring a sewage facility without prior Commission approval.

On September 25, 1990, the Commission received a letter from Timothy Montgomery stating that B.L.S.T. had not been transferred

to him and that Mike Montgomery has nothing to do with the transfer. Further, Montgomery stated that he and Tyler have agreed on the terms of the transfer and that he was taking bids on the required improvements to the system. Montgomery then stated that he would apply with the Commission after financing has been approved. Also, Montgomery asserted that Tyler was in bankruptcy.

By Order dated January 14, 1991, the Commission ordered that B.L.S.T. file certain information. By letter dated February 14, 1991, B.L.S.T. was informed that the Commission had received no response to the requested information. To date, the Commission has still received no response from Tyler and Montgomery concerning the January 14, 1991 Order and no response from Tyler concerning the September 18, 1990 Order establishing this proceeding.

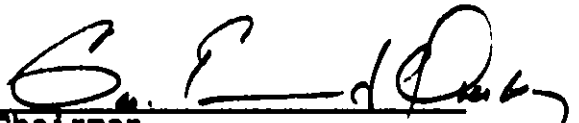
Having been otherwise sufficiently advised, the Commission HEREBY ORDERS AND COMPELS that:

1. Tyler and Montgomery respond to the Commission's January 14, 1991 Order and Tyler respond to the Commission's September 18, 1990 Order within 20 days of the date of this Order.


2. Tyler and Montgomery shall appear at a hearing on May 9, 1991, at 10:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, and show cause why they should not be penalized pursuant to KRS 278.990 for violating KRS 278.020 and Commission regulations concerning sewage facilities as specified in the April 10, 1990 Inspection Report.

Done at Frankfort, Kentucky, this 18th day of March, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director